

**MINUTES**  
**February 7, 2002**

**Seattle City Employees' Retirement System**  
**Regular Board Meeting**

**Thursday, February 7, 2002 - 9:00 a.m.**  
**Woodland Park Zoo – Arc Building**

**Present:** Jan Drago, Dwight Dively, Norma McKinney, Jim Fletcher, Lou Walter, John Curtin and Frank Mathews.

**Absent:** none

**Also Present:** Bill Farrell – ARSCE, Walter North – ARSCE, Barbara Guptill – ARSCE, Eddie Haw – ARSCE, Russ Teller – ARSCE, Ken Hunich – ARSCE, Jesse Tapp – ARSCE, Jack Fahlstrom – ARSCE, Mel Robertson and Norm Ruggles.

**Public Comment:** Barbara Guptill commented on efforts by ARSCE representatives to convince and reassure fellow retirees that the COLA improvements are going to happen in the future once the funding level of the System has reached specified levels and has been confirmed by an actuarial evaluation. Barbara then expressed concern that there were no discussions under the Benefit Enhancements agenda item regarding the possibility of improving the pop-up.

**Minutes:**

Upon motion by Jim Fletcher, seconded by Frank Mathews, the Retirement Board approved the minutes, from the January 3, 2002 Retirement Board meeting.

**Ratification of Retired Payroll, Office Payroll, other Billings and Withdrawals:**

**Information:** The following items represent normal expenses and nothing extraordinary.

Service	\$ 4,561,669.73
Disability	49,744.58
Beneficiary	<u>587,276.43</u>

<b>Pension Payroll – January 2002</b>	<b>\$ 5,198,690.74</b>
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<b>Office Payroll - pay period ending January 1, 2002</b>	<b>\$ 21,541.71</b>
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<b>Office Payroll - pay period ending January 15, 2002</b>	<b>\$ 22,168.23</b>
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<b>Vouchers Processed - from December 28, 2001 through January 31, 2002</b>	<b>\$ 1,033,132.12 *</b>
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\* \$ 873,747.73 Expert and Consultant Services

Upon motion by Dwight Dively, seconded by Norma McKinney, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

## Immediate Withdrawal of Contributions

<b>Member</b>	<b><u>Department</u></b>	<b><u>Position</u></b>
Amundson,Mavis Jean	TES	Library Assoc I
Boyd,Jimmy L	SPU	Drainage & Wastewater Coll. Worker
Burrows,Eric	Police	Warrant Officer
Daloia,Edward M Jr	SPU	Water Meter Changer
Ege,John R	SPU	Civil Engineer Assoc
Espinoza,Yvonne Sue	SPU	Civil Engineering Asst I
Falb, Roland Mark	Fire	Fire Protection Engineer
Gill, Kelley Lynn	SPU	Civil Engineering Spec, Asst I
Graefinghoff,Eva Marie	TES	Admin Spec II
Hegre,Shawn Allen	SPU	Water Pipe Worker Apprentice
Heiskanen,Ari T	Parks	Cement Finisher
King,Jason A	City Light	Laborer
Kramer, Todd E.	Park	Carpenter
Lopez,Lisa Ann	Park	Utility Laborer
McPherson, Wendy	Library	Library Assoc III
Murphy,Laura A	Muni Court	Admin Spec II
Nguyen,Tho Van	Muni Court	Mgmt Systems Analyst
Odom,Sandra A	Parks	Work Training Enrollee
Pimentel,Ronald C	SPU	Assoc Civil Engineer Spec
Rodrigues,David R	Park	Laborer
Schuler,Stephanie L	Library	Dev Office Admin Asst
Tabora,John A	Library	Information Tech Spec, Sr.
Temairik,Susan Lee	TES	Research & Evaluation Asst
Trapnell,Susan	Arts Commission	Executive 2
Vega,Beatriz Maria	City Light	Customer Service Rep
Vines,Dinalisa	Seattle Center	Security Officer
Vo, Tanxuan	City Light	Info Technology Prof
Westerbeck,Cary R	TES	Research & Evaluation Asst
Zamora,Lydia	Muni Court	Personnel Spec, Sr

## Ratification of Service Retirements:

**Information:** The following list represents the retirements that have been processed since the last Retirement Board meeting.

<b><u>Member</u></b>	<b><u>Retired</u></b>	<b><u>Years</u></b>	<b><u>Days</u></b>	<b><u>Department</u></b>	<b><u>Position</u></b>	<b><u>Age</u></b>	<b><u>Option</u></b>
Chapman,Daniel M.	01/02/2002	30	16	Muni Courts	Probation Counselor II	57	E,F
Grijalva,Joe Jr.	01/03/2002	16	82	ESD	Automotive Mechanic	57	D
Hernandez,San Juana	12/11/2002	21	143	SPU	Accounting Technician III	67	S
Marier,Carol	12/09/2002	30	217	Police	Police Communications	57	A
Morgan,Diane M.	01/01/2002	0	327	Dual Member	Vested/PERS 1	65	C10
Parker,Margaret	01/01/2002	10	214	Dual Member	Vested/Parks	64	S,G-100
Schermerhorn,Betty	01/02/2002	28	281	City Light	Financial Analyst Sr.	57	C20,F
Yu,Linna	12/15/2002	22	219	City Light	Accounting Technician II	53	C20,G-100

Upon motion by Dwight Dively, seconded by Jan Drago, the Retirement Board approved the service retirements listed above, pending final review.

## Ratification of Investment Transactions and Statement of Securities and Cash:

Upon motion by Dwight Dively, seconded by Jim Fletcher, the Retirement Board approved the Investment Summary report.

### **Investment Committee Report:**

It was announced that the Investment Committee is scheduled to meet at noon on Thursday, February 28, 2002 with the Investment Advisory Committee and our performance measurement consultant, Wurts and Associates, to review the investment performance for the fourth quarter of 2001.

Norm informed the Board that the Investment Committee has interviewed three firms that actively manage large cap domestic equity portfolios and provided a brief review of the process. He then presented the Board with the Investment Committee recommendation to hire Wellington to manage \$70M with a core equity approach and to hire Bear Stearns to manage \$30M with a value equity approach.

Upon motion by Dwight Dively, seconded by Frank Mathews, the Retirement Board approved the Investment Committee recommendation.

Norm then informed the Board that the Investment Committee would be interviewing firms that actively manage international equity portfolios on February 21, 2002 and briefly reviewed the process undertaken so far.

### **Executive Director Report:**

The following summarizes the Executive Director's monthly report to the Board:

Norm discussed the Retirement System's minor exposure to Enron's decline in value. Because of the Retirement Board's policy of diversification of assets, our fund is much better positioned to avoid the kind of losses incurred by other investors who do not diversify their investments.

Norm updated the Board on the various activities undertaken to implement the new opportunities for service credit buybacks. Tax, actuarial, legal and administrative issues are all being addressed. The Board, Norm and Mel discussed the particular problems involved in the purchase of military time for Reservists and National Guard. It was the consensus of the Board that military time cannot be purchased if, at the same time, an employee was receiving pay for civilian employment. Further rules will be developed for the administration of the purchase of military time.

The NCPERS Conference will be held from April 28 to May 2, 2002 in Ft. Lauderdale, and will be preceded by the TEDS Seminar on April 26 and 27, 2002 at the same location. The GFOA Conference will be held from June 16 to 19, 2002 in Denver.

Norm and Mel are working on an RFP for actuarial services, since the Milliman contract will expire on June 30, 2002. Jim Fletcher volunteered to assist with the selection process.

Mel gave a status report on the independent audit being performed by Deloitte & Touche. The auditors are no longer working in the Retirement Office, but staff is continuing to assist and provide additional information requested by the auditors.

Mel reported on the progress of the construction of a website for the Retirement System. He has been working with the Department of Information Technology (DoIT). Final details are being resolved, and our website should be available very soon.

**Old Business:**

**(1) Status of Benefit Enhancements (Old Business)**

Norm informed the Board that estimated current funding level of the Retirement Fund is 86.78% as of December 31, 2001.

**(2) City Light Invoice (Old Business)**

The Board was informed by Mel that City Light has paid the invoices relating to the additional benefits that resulted from the settlement between Local 77 and the City, in January 2002, and is now current.

**New Business:** None.

**Adjournment**

Upon motion by Lou Walter, seconded by Dwight Dively, the Retirement Board voted to adjourn the meeting at 10:04 a.m.

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Norma McKinney, Secretary